media5

corporation

M5T

PROFILE

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A

Presentation for the

FCC

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Media5 Corporation Profile

Overview

- **The Media5 Group History**
  - Founded in 1992
  - Presently has 110 employees worldwide (US, Canada, and Europe) .
  - Estimated Revenues in 2004   15 M USD mostly from USA , Canada, West European country, Asia and South America.

- **The Mission**
 - The Media5 Group develops and markets advanced VoIP/PSTN solutions, and gateways for the Enterprise and Residential markets.

- **The Media5 Group**   owns the following wholly owned subsidiaries and Brand names:
  - <u>**Mediatrix Global Services a Division of Mediatrix America Inc.**</u> is a US based Global Services provider of VoIP and legacy PSTN systems Integration Services and Support Solutions implemented on premise or hosted.
  - <u>**Mediatrix Telecom**</u> with locations in Canada it designs, produces and distributes worldwide   all products (Gateways and software products) and it offers R&D services to business partners.
  - <u>**M5T**</u> is a Canadian based software provider with a focus on delivering the latest in SIP software technologies to companies developing applications for real-time multimedia communications over IP.
  - <u>**Mediatrix Telecom Europe**</u> with locations in Italy it distributes and support all Media5 products (Gateways and software products) in Europe and Asia.

# The two targeted VoIP Equipment Market Segments

- This **equipment market** is often divided into 2 distinct markets segments and both segments are dependant on **stable regulatory environment** :
  - **The enterprises market**
  - **The services providers market** (both traditional telecom carriers, ISPs as well as cable operators) who serve primarily **residential customers**

- **The VoIP equipment market**:
  - It has already increased from **US$ 1.5bn in 2001 to 2.6bn in 2003**, reaching a **32% CAGR**
  - This trend is expected to continue with a similar CAGR: this market will grow **from US$ 2.6bn in 2003 to US$ 7.8bn in 2007**
  - The **major opportunity will be in the enterprises market,** expected to remain 2x,3x the size of the service provider opportunity. **This specific market is the main focus of the new Mediatrix Global Services Division.**
  - Geographical analysis:
    - The **US should lead this trend** thanks to an already large installed base of broadband customers, the width of IP in their cable networks and the nationality of the major technology leaders (Cisco, Nortel, Avaya)
    - **Europe** will mainly remain in the American wake
    - **Asia** has already seen a rapid adoption of VoIP due to the high level of broadband penetration and the poor quality of standard phones: in Japan, already 10% of the installed wire line subscriber base uses VoIP technology

VoIP Equipment Market

Legend: ☐ Service Provider ■ Enterprises
(in $ billion; years 2001–2007)
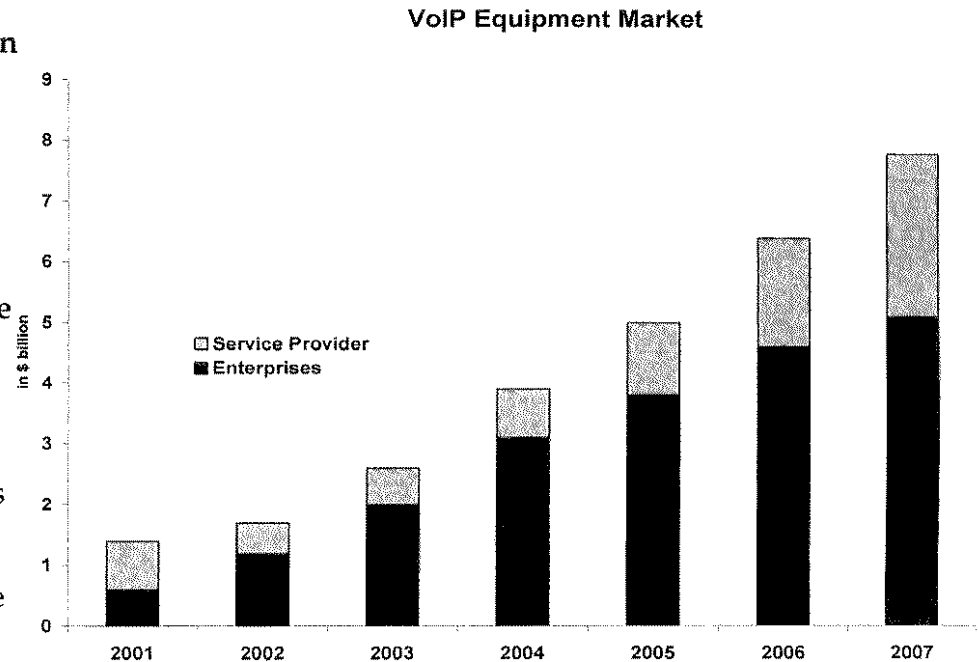
Source: Teleograph, Brokers reports, Synergy Research, Company Data, Dell'Oro, IDC, IEC, company data

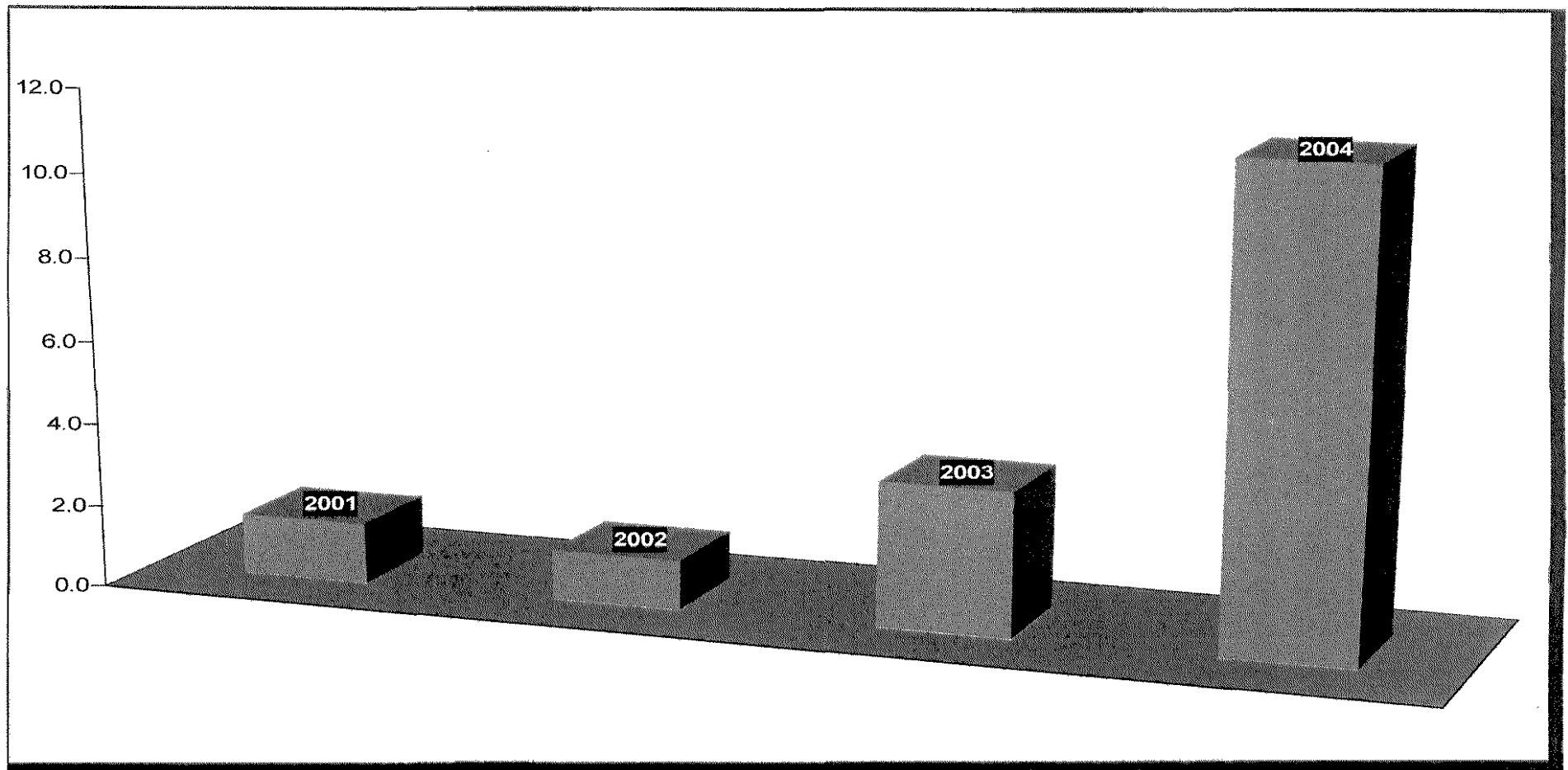**Worldwide Proportion of sale** for Low Density **Gateways** (24 ports or less) Analog VS Digital
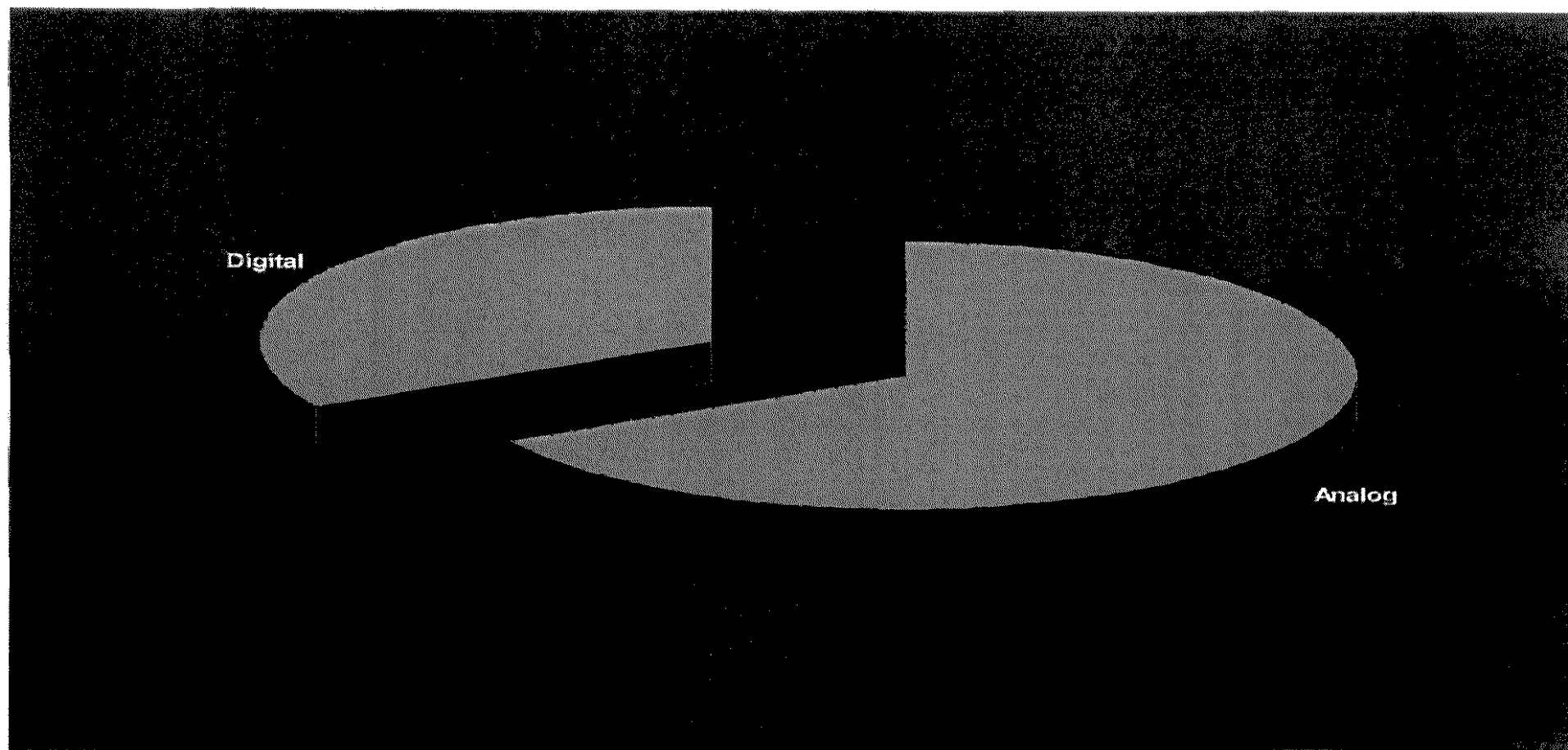
Estimated Media5 Worldwide share of gateway Low density analog port

Mediatrix Telecom products
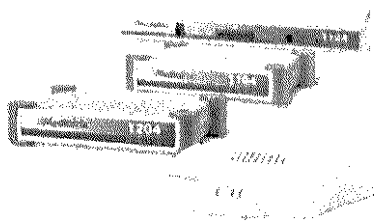
≡Mediatrix

■ **Mediatrix** offers:

■ **Analog access devices ATA and gateways** connecting conventional telephones, fax machines, legacy PBX and Key Systems to an IP network, as well as provide PSTN connectivity to next-generation IP PBX. 5 models are sold for residential and enterprise market.

■ **Digital gateways and routers:** providing **enterprise carrier grade** connectivity for the digital network linking the PSTN to an IP network. The routers are used to connect diverse digital networks and protocols and available for North American PRI E1 and T1 and for European BRI E1 environment for up to 60 ports per gateway.

■ **Analog** products offered allow Mediatrix to address all forms of access to the IP network . Now includes new 2 ports **ATA** with some of most advanced patented technologies for home and enterprises.

■ **Digital products** in both prevailing **E1 BRI European** market and **T1 PRI North American** market.

■ The products are feature-rich with **security and QoS capabilities** and also interface with proprietary features of its strategic partners' communication management systems including **softswitches, gatekeepers, proxy servers and call agents. Mediatrix products support MGCP, SIP and H.323 protocols .**

Mediatrix, a leader in Intelligent access devices ATA and gateways

Typical Media5 Convergence Solutions :

The Mediatrix® Converged Enterprise Telephony is an end-to-end solution designed to reduce intra-corporate telephony and fax costs by leveraging an existing IP network.
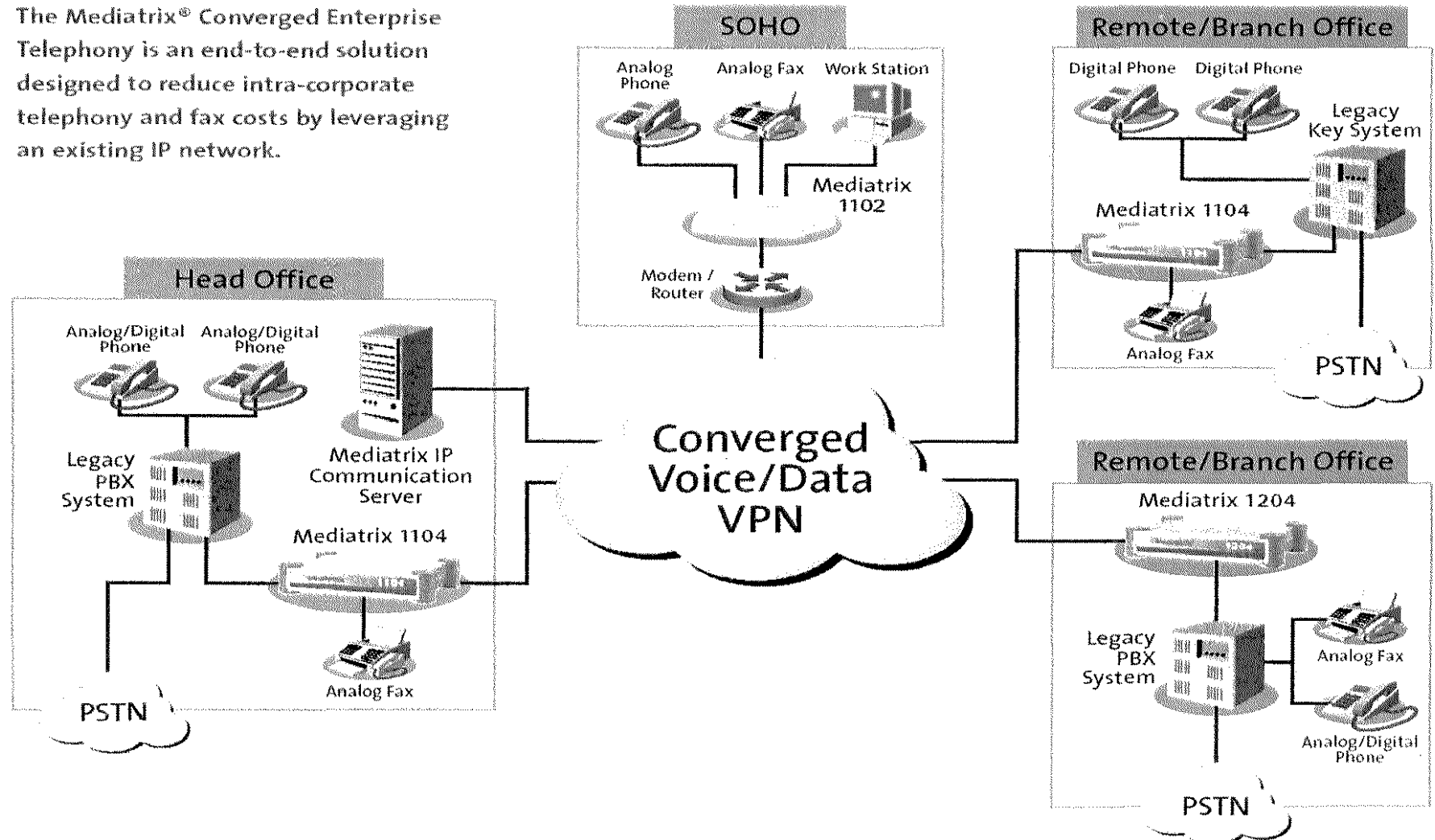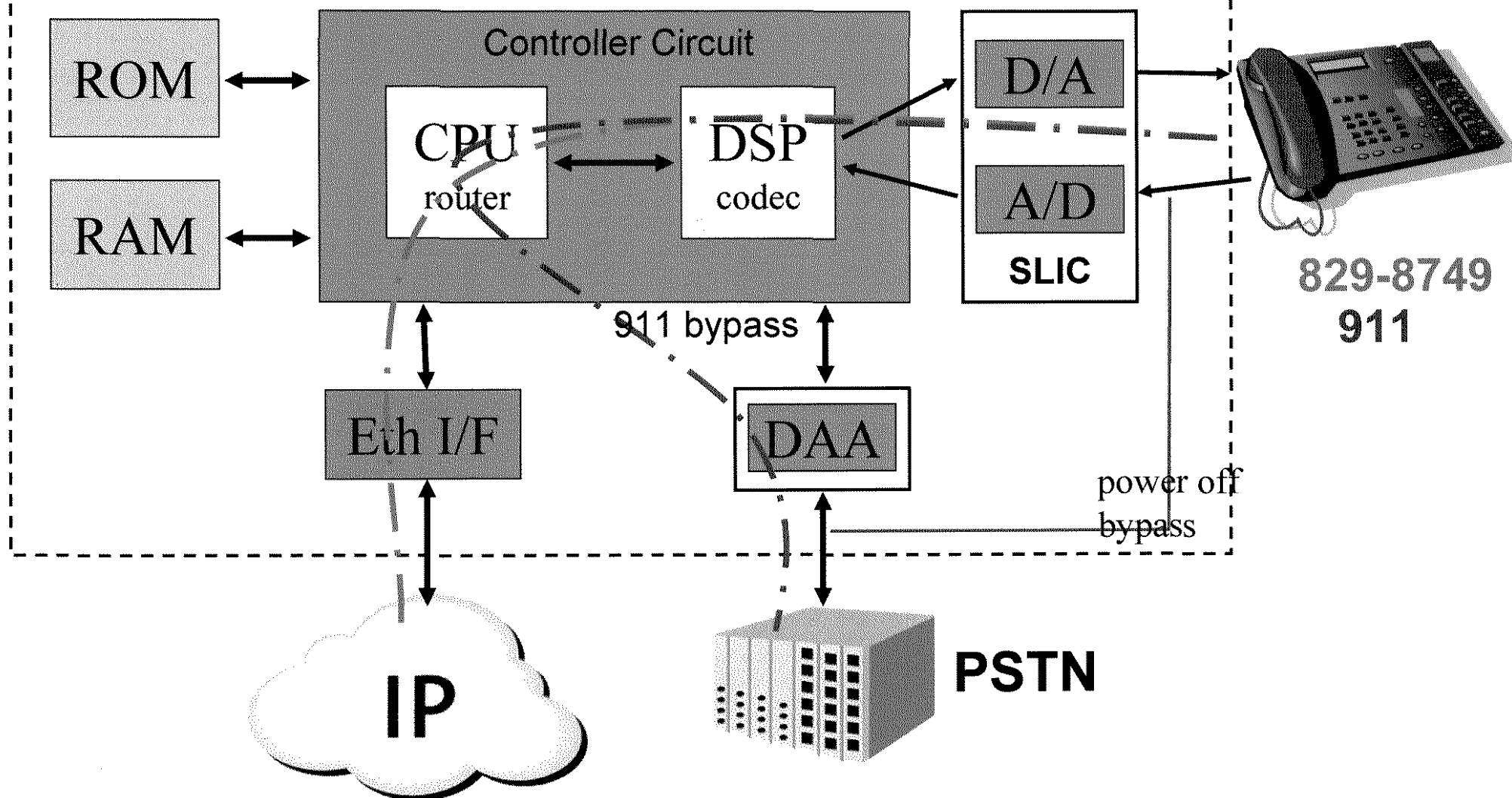
Potential Regulatory Issues

- **PSTN Vs VoIP Tolls regulation...** deals with the impact of government regulations on customers .The public switch offerings have traditionally been heavily regulated but data services offered by carriers have historically been lightly regulated: VoIP, however, as a marriage of voice and data, has blurred these lines. Media5 gateway technology allows for use of existing PSTN network in conjunction with VoIP network . This situation allows Media5 customers to use as much of each of those two networks as will make business sense for the particular regulation or network existing in country of implementation.

- **PSTN Vs VoIP public safety regulation....** Currently E911 emergency services use PSTN provided location and new VoIP solutions are being proposed. A key differentiator for Media 5 is that it has the only known patented solution which enables E911 location via a VoIP installation by using PSTN bypass technology embedded into its devices.

- **Electronic Surveillance and the US regulation..** The current American law CALEA requires carriers to ensure that their equipment, facilities, and services comply with authorized electronic surveillance demanded by the FBI. This is more significant from a business point of view for any major equipment provider (IPPBX, ..) as a Gateway provider Media5 is compatible with most IPPBX from major OEM and should not be impacted as much.

Potential Regulatory Issues

- **Patented PSTN bypass of VoIP for E911 and other Emergency conditions such as power off**

  - Media5 technology allows the use of a conventional telephone set to make phone calls over the IP network (packet network) or the legacy telephone network (PSTN - Public Switched Telephone Network).

  - This media5 technology uses a controller circuit, with an embedded software agent, that intelligently routes telephone calls, based on a set of pre-established routing rules, over one of the available networks (IP network or PSTN). Generally, all calls are routed over the IP network; however, emergency 9-1-1 calls are automatically routed over the legacy telephone network, provided the device is connected to the PSTN. This proprietary intelligent routing technology provides a reliable emergency 9-1-1 service allowing accurate location and call back of the individual in distress. Additionally, all calls made under the circumstances of a power failure affecting the access device are routed over the PSTN.

  - Another value-added benefit of this technology is the ability to automatically redial a number over the PSTN in the event the packet network goes down.

  - PSTN bypass of VoIP for power off condition is currently in use for 4 ports (1104) gateways. A 2 ports SIP based version for residential market and offering this new technology is scheduled to deploy by early first quarter 2005.

Source: Company Data

Telephone to VoIP Adapter With PSTN Bypass

Controller Circuit

ROM

RAM

CPU
router

DSP
codec

D/A

A/D

SLIC

829-8749
911

Eth I/F

911 bypass

DAA

power off
bypass

IP

PSTN

Media5 Corporation
Solutions and Products

Media5 PSTN/VoIP Solution is a clear answer to current Customers needs

- The main **advantages** provided to users by **introducing Media5 VoIP solutions now** is:

  - **Immediate Saving** under this strategy, voice is routed over packet networks to avoid high interconnect **Long distance charges** for passing traffic over the PSTN, **particularly for international calls.**

  - **A solution to help address current PSTN capacity/cost constraints:** in circuit networks, dedicated end-to-end connections are established at a fixed 64kbs for the duration of the call. The rate of transmission under packet networks (with compression) is **about 1/8 that of circuit switched network so rerouting calls via VoIP will reduce PSTN workload.**

  - **A new range of enhanced value added services** and current voice services can be offered more easily and for less cost. The new enhanced services include **unified messaging, multi-device roaming, web enabled and distributed call centers** (that is the ability to have call centers in distant locations), and call recording and monitoring. **Users can choose** to give those VoIP services with IPPBX where they want and keep other sites with PSTN equipment yet all of Users sites can use VoIP Long Distance Bypass.

  - **This Media5 solution** for introducing VoIP **doesn't trigger any major changes for the end users**: same telephone number, available connection with standard telephone devices. This technology is thus easy to implement and it **protects legacy PSTN services like E911.**

Source: Brokers' reports, IP xStream Research & Publishing, IEC, Yankee Group, Shoreline Communication, Oki Electric and Company data